

Social Security

www.socialsecurity.gov



History of Social Security Programs

- **1935 – Retirement Insurance**
- **1939 – Survivors Insurance**
- **1956 – Disability Insurance**

Other Programs

- **1965 – Medicare Program**
- **1972 – Supplemental Security Income**
- **2003 – Medicare Prescription Drug Coverage**
- **2010 – Patient Protection and Affordable Care Act**

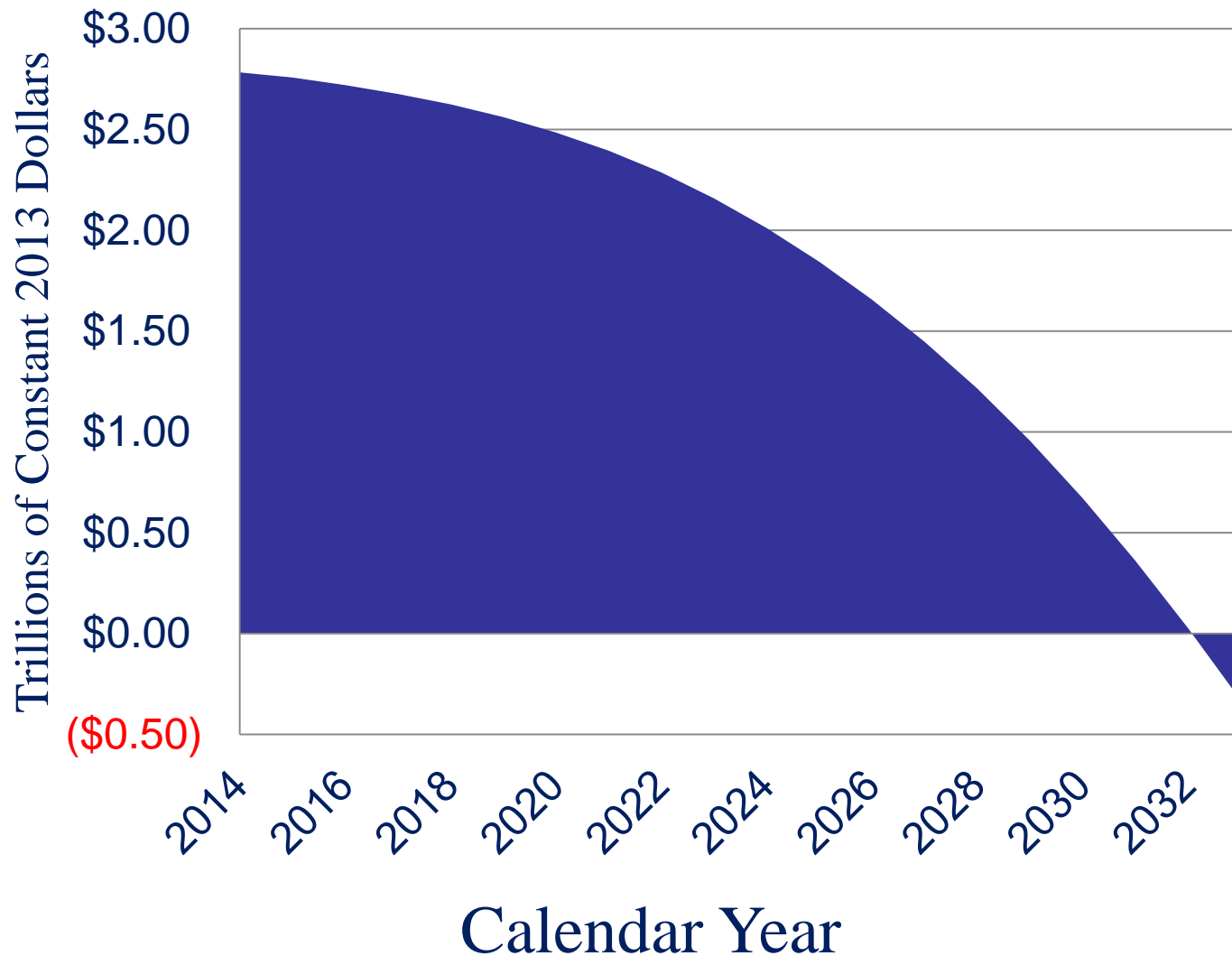
Save for a Secure Future

Social Security is the foundation for a secure retirement, but you will also need other savings and investments. If you want to learn more about how and why to save, visit www.mymoney.gov

A Foundation for Planning Your Future



Social Security Trust Funds Will Be Able to Pay Only About 77 Cents for Each Dollar of Scheduled Benefits after 2033



How Do You Qualify for Retirement Benefits?

- You need to work to earn Social Security “credits”
- Each \$1,220 in earnings gives you one credit
- You can earn a maximum of 4 credits per year



Example: To earn 4 credits in 2015, you must earn at least \$4,880. Earning 40 credits (10 years of work) throughout your working life will qualify you for a retirement benefit.

Thinking of Retiring?

- Deciding what is the ‘right’ age to retire
- Check online *Social Security Statement*
- How working after retirement can affect benefits
- Medicare considerations
- Online retirement estimator
- How to apply online for benefits

When To Start Receiving Retirement Benefits

As a Social Security, we're often asked, "What is the best age to start receiving retirement benefits?" The answer is that there is no one "best age" for everyone and, ultimately, it is your choice. You should make an informed decision about when to apply for benefits based on your individual and family circumstances. We hope the following information will help you understand how Social Security can fit into your retirement decision.

Your decision is a personal one.

Would it be better for you to begin receiving benefits early with a smaller monthly amount or wait for a larger monthly payment later that you may not receive as long? The answer is highly personal and depends on a number of factors, such as your current cash needs, your health and family longevity, whether you plan to work in retirement, whether you have other retirement income sources, your anticipated future financial needs and obligations, and, of course, the amount of your future Social Security benefits. We hope you will weigh all the facts carefully and consider your own circumstances before making the important decision about when to begin receiving Social Security benefits.

Monthly payments differ substantially based on when you start receiving benefits.

If you live to the average life expectancy for someone your age, you will receive about the same amount in lifetime benefits no matter whether you choose to start receiving benefits at age 62, full retirement age, age 70 or any age in between. However, monthly benefit amounts can differ substantially based on your retirement age. Basically, you can get lower monthly payments for a longer period of time or higher monthly payments over a shorter period of time. The amount you receive when you first get benefits sets the base for the amount you will receive for the rest of your life, though you do receive annual cost-of-living adjustments and, depending on your work history, may receive higher benefits if you continue to work.

The following chart provides an example of how your monthly benefit amount can differ based on the age at which you decide to start receiving benefits.

Monthly Benefit Amounts Differ Based on the Age You Decide to Start Receiving Benefits
This example assumes a benefit of \$1,000 at a full retirement age of 66.

Age You Choose to Start Receiving Benefits	Monthly Benefit Amount
62	\$750
63	\$800
64	\$850
65	\$900
66	\$1,000
67	\$1,050
68	\$1,100
69	\$1,150
70	\$1,320

Let's say your full retirement age is 66 and your monthly benefit starting at that age is \$1,000. If you choose to start getting benefits at age 62, your monthly benefit will be reduced by 25 percent to \$750 to account for the longer period of time you receive benefits. This is generally a permanent reduction in your monthly benefit.

If you choose to not receive benefits until age 70, you would increase your monthly benefit amount to \$1,320. This increase is from delayed retirement credits you get for your decision to postpone receiving benefits past your full retirement age. The benefit amount at age 70 in this example is 32 percent more than you would receive per month if you chose to start getting benefits at full retirement age.

Retirement may be longer than you think.

When thinking about retirement, be sure to plan for the long term. Many of us will live much longer than the "average" retiree, and, generally, women tend to live longer than men. About one out of every four 65-year-olds (over)

When To Start Receiving Retirement Benefits

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When To Start Receiving Retirement Benefits

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Social Security Administration
SSA Publication No. 05-10147
12N 480136
Unit of base + 103 (one hundred)
July 2008

Your Age at the Time You Elect Retirement Benefits Affects the Amount

If You're a Worker and Retire

- **At age 62, you get a lower monthly payment**
- **At your full retirement age, you get your full benefit**
- **You get an even higher monthly payment if you work past your full retirement age**



Your Age at the Time You Elect Retirement Benefits Affects the Amount

For example, if you were born from 1943 through 1954:

- **Age 62 75% of benefit**
- **Age 66 100% of benefit**
- **Age 70 132% of benefit**



Full Retirement Age

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 & 2 months
1939	65 & 4 months
1940	65 & 6 months
1941	65 & 8 months
1942	65 & 10 months
1943 – 1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960 or later	67

Social Security Cost-of-Living Adjustments

Effective Date Amount		Effective Date Amount	
June 1975	8.0%	Dec 1995	2.6%
June 1976	6.4%	Dec 1996	2.9%
June 1977	5.9%	Dec 1997	2.1%
June 1978	6.5%	Dec 1998	1.3%
June 1979	9.9%	Dec 1999	2.5%
June 1980	14.3%	Dec 2000	3.5%
June 1981	11.2%	Dec 2001	2.6%
June 1982	7.4%	Dec 2002	1.4%
Dec 1983	3.5%	Dec 2003	2.1%
Dec 1984	3.5%	Dec 2004	2.7%
Dec 1985	3.1%	Dec 2005	4.1%
Dec 1986	1.3%	Dec 2006	3.3%
Dec 1987	4.2%	Dec 2007	2.3%
Dec 1988	4.0%	Dec 2008	5.8%
Dec 1989	4.7%	Dec 2009	0%
Dec 1990	5.4%	Dec 2010	0%
Dec 1991	3.7%	Dec 2011	3.6%
Dec 1992	3.0%	Dec 2012	1.7%
Dec 1993	2.6%	Dec 2013	1.5%
Dec 1994	2.8%	Dec 2014	1.7%

In Addition to the Retiree, Who Else Can Get Benefits?

Your Child

- **Not married under 18**
(under 19 if still in high school)
- **Not married and disabled**
before age 22

Your Spouse

- **Age 62 or older**
- **At any age, if caring for a child under age 16 or disabled**



In Addition to the Retiree, Who Else Can Get Benefits?

Your Ex-Spouse

- **Marriage lasted at least 10 years**
- **Ex-spouse 62 or older**
- **Divorced at least two years and you and your ex-spouse are at least 62, he or she can get benefits even if you are not retired**
- **Ex-spouse's benefit amount has no effect on the amount you or your current spouse can get**

Spouse's Benefit Computation

- **Benefit is 50% of worker's unreduced benefit**
- **Reduction for early retirement**
- **If spouse's own benefit is less than 50% of the worker's, the benefits are combined**
- **Does not reduce payment to worker**

How Social Security Determines Your Benefit

Social Security benefits are based on earnings

- Step 1 -Your wages are adjusted for changes in wage levels over time
- Step 2 -Find the monthly average of your 35 highest earnings years
- Step 3 -Result is “average indexed monthly earnings”



Use the Retirement Estimator



- **Convenient, secure, and quick financial planning tool**
- **Immediate and accurate benefit estimates**
- **Lets you create “What if” scenarios based on different ages and earnings**

www.socialsecurity.gov/estimator

my Social Security

Your Online Account ... Your Control ...
socialsecurity.gov/myaccount



**Someday
is here.**

Discover your benefits.
Open a *my* Social Security account.

SocialSecurity.gov



my Social Security is an easy-to-access, easy-to-use portal to view and update some of your own Social Security information.

my Social Security Services

If you don't get benefits, you can—

- Review estimates of your future retirement and disability benefits;
- Review estimates of the benefits your family may get when you receive Social Security or die;
- Verify your lifetime earnings according to Social Security's records;
- Review the estimated Social Security and Medicare taxes you've paid;
- Learn about qualifying and signing up for Medicare; and
- View, save, and print your *Social Security Statement*.

my Social Security Services

If you do get benefits you can—

- Check your benefit and payment information and verify your earnings record;
- Change your address and phone number; and
- Start or change your direct deposit.
- Get a replacement SSA-1099 or SSA-1042S for tax season.
- Get a replacement Medicare Card.

my Social Security

Getting Started

How to open a my Social Security account

1

Visit *socialsecurity.gov/myaccount*

2

Select: Create an Account

The screenshot shows the official Social Security website. At the top, there's a navigation bar with links for Accessibility, Contact Us, FAQs, Español, Other Languages, and Sign In. Below this is a search bar and a main menu with links for Home, Numbers & Cards, Benefits, Information for..., Business & Government, and Our Agency. The main heading reads "my Social Security - Sign In Or Create An Account".

Below the heading, there's a banner for "SOMEDAY" with the text "Prepare for your SOMEDAY". Below this, it says "Get your free personal online my Social Security account today!".

It then states: "You probably plan to receive Social Security benefits someday. Maybe you already do. Either way, you'll want a my Social Security account to:"

- Keep track of your earnings and verify them every year;
- Get an estimate of your future benefits if you are still working;
- Get a letter with proof of your benefits if you currently receive them; and
- Manage your benefits:
 - + Change your address;
 - + Start or change your direct deposit; and
 - + Get a replacement SSA-1099 or SSA-1042S for tax season. [More](#)

Below the list, it says: "Setting up an account is quick, secure, and easy. Join the millions and create an account now!"

At the bottom of this section, there are three buttons: "Create an Account" (highlighted with a red circle), "Sign In", and "Enter Activation Code".

Below the buttons, there's a section titled "Full list of services and information on how to create an account now" with several links:

- If you receive benefits or have Medicare, you can:
- If you do not receive benefits, you can:
- How do I create a my Social Security Online account?
- How do I finish creating an account with an "activation code" I received from Social Security?

On the right side of the page, there's a section titled "Join The Millions!" with a box showing the "Number of my Social Security Accounts as of January 30, 2015" as "16,809,428". Below this is a section titled "Creating an Account is Easy!" with a video thumbnail and the text "How To Create An Online Account".

At the bottom right, there's a section titled "Privacy and Security" with links for "How We Verify and Protect Your Identity", "Internet Phishing Alert", and "Can I create a my Social Security account if I have a security freeze or a fraud alert on my Experian credit report?".

my Social Security

Getting Started

How to open a *my* Social Security account

3

Provide some personal information to verify your identity.

The screenshot shows the 'Social Security' website header with the logo and tagline 'The Official Website of the U.S. Social Security Administration'. Below the header is a 'Create an Account' section. A progress bar shows three steps: '1 Verify your Identity' (active), '2 Secure your Identity', and '3 Create your Account'. The main form area is titled 'Please tell us who you are'. Under 'Your Name: As shown on your Social Security card.', there are four input fields labeled 'First', 'M.I.', 'Last', and 'Suffix'.

4

Choose a username and password to create your account.

The screenshot shows the same 'Social Security' website header. The 'Create an Account' section has a progress bar where '1 Verify your Identity' and '2 Secure your Identity' are marked with checkmarks, and '3 Create your Account' is the active step. The main form area is titled 'Please create your account details'. Under 'Username:', there is a single input field.

Remember the Fastest Way to Verify Social Security and SSI Benefits—

my Social Security provides an online benefit verification letter immediately.

An advertisement for the Social Security Administration. It features a photograph of a smiling family—a man, a woman, and a young girl—holding up three large fish they have caught. They are standing on a boat or dock in front of a calm lake with mountains in the background. The text "Prepare for your Someday." is written in a large, blue, serif font. Below it, in a smaller blue font, is "Discover your benefits. Open a *my* Social Security account." The website "SocialSecurity.gov" is displayed in white text on a blue background at the bottom. The Social Security Administration logo is in the bottom right corner.

Prepare for your Someday.

Discover your benefits.
Open a *my* Social Security account.

SocialSecurity.gov

SOCIAL SECURITY
USA
ADMINISTRATION

socialsecurity.gov/myaccount

Windfall Elimination Provision

If any part of your pension is based on work not covered by Social Security, you may be affected by the Windfall Elimination Provision.



Windfall Elimination Provision (WEP) - 2015

Normal Computation	WEP Computation
90% of the First \$826	40% of the First \$826
32% of the Next \$4,154	32% of the Next \$4,154
15% of the Remainder	15% of the Remainder

Exception to the Windfall Elimination Provision

Years of Social Security Coverage	% of First Factor in Benefit Formula
30 or more	90
29	85
28	80
27	75
26	70
25	65
24	60
23	55
22	50
21	45
20 or fewer	40

Our Online WEP calculator allows you to estimate your Social Security benefit.

Government Pension Offset (GPO)

If you receive a government pension based on work not covered by Social Security, your Social Security spouse's or widow(er)'s benefits may be reduced.



Government Pension Offset (GPO)

Applies to Spouse's Benefits Only

- 2/3 of amount of government pension will be used to reduce the Social Security spouse's benefits

Example:

- \$1,200 of government pension $2/3 = \$800$
Social Security spouse's benefits = \$750
No benefit payable by Social Security
- Our Online GPO calculator allows you to estimate your Social Security benefit.
www.socialsecurity.gov/calc-gpo

You Can Work & Still Receive Benefits

<u>If You Are</u>	<u>You Can Make Up To</u>	<u>If You Make More, Some Benefits Will Be Withheld</u>
Under Full Retirement Age	\$15,720/yr. (\$1,310/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$41,880/yr. (\$3,490/mo.)	\$1 for every \$3
Month of Full Retirement Age and Above	No Limit	No Limit



Note: If some of your retirement benefits are withheld because of your earnings, your benefits will be increased starting at your full retirement age to take into account those months in which benefits were withheld.

How Do I Apply for Retirement Benefits?

- **Apply online at www.socialsecurity.gov**
It is the most convenient way to apply;
- **Call Social Security to schedule an appointment**
1-800-772-1213 (TTY 1-800-325-0778); or
- **Apply at your local Social Security office.**



What Will You Need When Applying for Your Social Security Benefits?

- **Social Security number for each applicant**
- **Proof of age** (only if date of birth allegation doesn't match Social Security records)
- **Latest W-2 or self-employment tax return**
- **Earnings estimate**
- **Bank information for direct deposit**
- **Information about marriages/divorces**
- **Information about military or railroad service**

Who Can Get Survivors Benefits?

Your Child if:

- **Not married under age 18** (under 19 if still in high school)
- **Not married and disabled before age 22**

Widow or Widower:

- **Full benefits at full retirement age**
- **Reduced benefits at age 60**
- **If disabled as early as age 50**
- **At any age if caring for child under 16 or disabled**
- **Remarriage after age 60 (50 if disabled)**
- **Divorced widows/widowers may qualify**

Widow or Widower Benefit Computation

- At full retirement age, 100% of deceased worker's unreduced benefit
- At age 60, 71.5% of deceased worker's unreduced benefit
- Reduced benefits on one record at age 60, reduced or unreduced benefit on other record at age 62 or older
- Full benefits to both widow or widower and divorced widow or widower

Other Survivors Benefits

➤ Parents

- Age 62 and was receiving at least one-half support from deceased worker

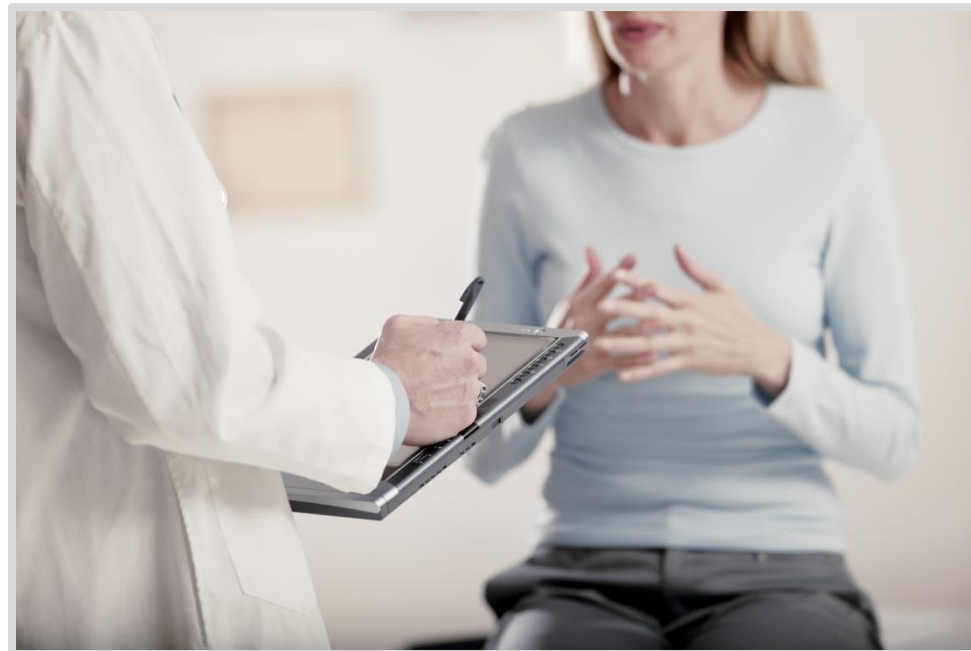
➤ Lump Sum Death Payment (\$255)

- Most spouses and some children



Social Security's Disability Definition:

A medical condition or combination of impairments preventing substantial work for at least 12 months, or expected to result in death. The determination also considers age, education & work experience.



Who Can Get Disability Benefits?

Worker

- **Must have paid into Social Security five out of last 10 years**
- **For younger workers, under age 31 less work is required**



Who Can Get Disability Benefits?

Child

- **Not married under age 18** (under 19 if still in high school)
- **Not married and disabled before age 22**

Spouse

- **At age 62**
- **At any age if caring for child under 16 or disabled**
- **Divorced spouses may qualify**



Your Benefits Can Be Taxable

- About 40 percent of people who get Social Security pay income taxes on their benefits.
- At the end of each year, you'll receive a *Social Security Benefit Statement* (Form SSA-1099). Use this statement to complete your Federal income tax return to find out if you have to pay taxes on your benefit.
- To get a replacement SSA-1099, go to **my Social Security** at www.socialsecurity.gov/myaccount.

Who Can Get Medicare ?

65 & older

-or-

**24 months after entitlement to Social Security
disability benefits**

-or-

Amyotrophic Lateral Sclerosis

-or-

**Permanent kidney failure and receive maintenance dialysis
or a kidney transplant**

-or-

Exposure to Environmental Health Hazards

When Can I Sign Up for Medicare Part B?

Medicare Enrollment Periods:

- Initial – at age 65
- Special – if still working
- General – January-March

Medicare Has Four Parts

Part A - Hospital Insurance

- Covers most inpatient hospital expenses
- 2015 deductible \$1,260

Part B - Medical Insurance

- Covers 80% doctor bills & other outpatient medical expenses after 1st \$147 in approved charges
- 2015 standard monthly premium \$104.90

Medicare Has Four Parts

Part C – Medicare Advantage Plans

- Health plan options offered by Medicare-approved private insurance companies
- When you join a Medicare advantage plan, you can get the benefits and services covered under Part A, Part B, and in most plans, Part D

Part D – Medicare Prescription Drug Coverage

- Covers a major portion of your prescription drug costs
- Your out-of-pocket costs—monthly premiums, annual deductible and prescription co-payments—will vary by plan
- You enroll with a Medicare-approved prescription drug provider not Social Security

Extra Help Could Further Reduce Medicare Prescription Drug Costs

Extra Help is available for beneficiaries with limited resources and income to help pay for the costs—monthly premiums, annual deductibles, and prescription co-payments—related to a Medicare prescription drug plan.

The Extra Help is estimated to be worth about \$4,000 per year.

Advantages of the Medicare Savings Programs



- **Helps pay for Medicare Part B (medical insurance) premiums**
- **For some, it may help pay for Part A (hospital insurance) premiums, and Part A & Part B deductibles and co-payments**

How Do I Apply for Extra Help?

Complete the *Application for Extra Help with Medicare Prescription Drug Plan Costs* (Form SSA-1020).

Here's how:

- Apply online at www.socialsecurity.gov/i1020/start
- Call Social Security to apply over the phone or request an application at 1-800-772-1213 (TTY 1-800-325-0778)
- Apply at your local Social Security office

Social Security will review your application and send you a letter to let you know if you qualify

For More Medicare Information

1-800-MEDICARE

(1-800-633-4227)

TTY 1-877-486-2048

www.medicare.gov

Supplemental Security Income (SSI)

Who Can Get SSI?

- Age 65 or older
 - Blind—any age
 - Disabled—any age
 - Limited income
 - Limited resources
-
- Noncitizens must meet special requirements to qualify



Anti-Fraud

We take fraud seriously!

If you suspect fraud, waste, or abuse, report it to SSA's Office of the Inspector General (OIG) by:

- Submitting a report online at oig.ssa.gov. and using the e-8551 (Fraud Reporting Form);**
- Calling the OIG Hotline at 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. (EST) (TTY 1-866-501-2101 for the deaf or hard of hearing);**
- Faxing your statement to 410-597-0118; or**
- Mailing your statement to Social Security Fraud Hotline, P.O. Box 17785, Baltimore, MD 21235**

www.socialsecurity.gov/antifraudfacts

Social Security Engages on Social Media



- Discover us on Facebook, Twitter, YouTube, and Pinterest
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